

NEWS RELEASE



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FEDERAL JURY IN LAFAYETTE, LOUISIANA FINDS HOUSTON MAN GUILTY OF HEALTHCARE FRAUD

*Owner of medical equipment company receives in excess of
\$3 million dollars as a result of healthcare fraud scheme*

Lafayette, Louisiana . . . United States Attorney Donald W. Washington announced that **OBOT NELSON UDOH**, age 48, from Houston, Texas was **found guilty of 11 counts of healthcare fraud and 1 count of conspiracy** by a federal jury on Friday, May 5, 2006. UDOH's fraud resulted in a loss of \$3,360,465.10 to the Medicare program.

UDOH and three co-conspirators were indicted in November 2004 following an investigation by United States Department of Health & Human Services and Federal Bureau of Investigation into a scheme of providing motorized wheelchairs and scooters to people who did not have a legitimate medical reason to have them. The scheme resulted in Medicare reimbursing UDOH's company millions of dollars to which it was not legally entitled to receive.

Sentencing will be scheduled for a later date to be determined by the Court. UDOH faces up to 10 years federal imprisonment, a fine of up to \$250,000 and a term of supervised release of not more than 3 years.

Sentencing in federal court is determined by the discretion of federal judges and the governing statute. United States Sentencing Guidelines established by the United States Congress and the United States Sentencing Commission may only be used as guidelines by the judge. Parole has been abolished in the federal system.

OBOT NELSON UDOH and Christie O. Udoh owned and operated Legend Medical Services, a medical equipment company located in Houston, Texas. Legend Medical Services provided wheelchairs and motorized scooters to persons receiving Medicare benefits. From July 2002 through August 2003, Legend Medical Services billed Medicare \$7,538,559.29 and received \$3,914,271.18 as reimbursement for providing K0011powered wheelchairs to more than 1000 Medicare beneficiaries. A K0011 is a powered wheelchair that has programmable controls. The K0011wheelchair is typically prescribed only for paraplegics and individuals who are unable to walk over a long period of time.

To assist in their scheme, the Udoh's hired Veronda Warfield and Pearlie Warfield to recruit Medicare beneficiaries in the south Louisiana area on behalf of Legend Medical Services. The Medicare beneficiaries were told that the government was giving away free wheelchairs and/or scooters to Medicare recipients. Medicare rules require that a licensed physician must order and/or prescribe the powered wheelchair for individuals who experience extreme difficulty in walking. The physician must sign a document attesting that the equipment is medically needed by the beneficiary. However, Pearlie Warfield told the Medicare beneficiaries that Medicare did not require them to see a doctor in order to receive the wheelchair/scooter. Veronda Warfield copied the Medicare beneficiary's paperwork and forwarded it to

Obot Nelson Udoh for processing. Veronda Warfield and Pearlie Warfield were paid a total of \$109,489.74 by Legend Medical Services in a six-month period for recruiting medicare beneficiaries.

Pearlie Warfield pleaded guilty of conspiracy to commit healthcare fraud in June 2005. Veronda Warfield Pleaded guilty to violating the Anti-Kickback Statute in August 2005. Christie Udoh was scheduled to be tried with Obot Udoh on May 1, but pleaded guilty on the morning of the trial to misprision of a felony. Sentencing dates have not yet been announced by the Court.

This case was prosecuted by Assistant United States Attorney Kelly P. Uebinger.

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